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Black Thursday (2020)

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For other Black Thursdays, see Black Thursday.

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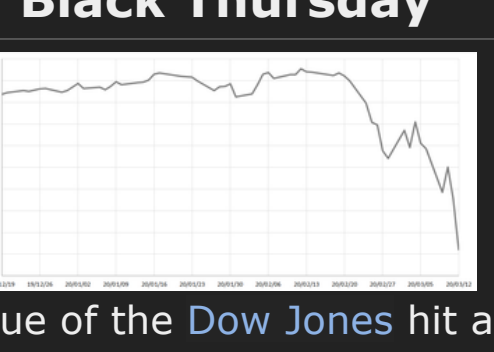
It has been suggested that this article be merged into *2020 stock market crash*. (Discuss) *Proposed since March 2020.*

Black Thursday



The value of the Dow Jones hit an all-time high in February 2020, and then crashed in late February through March 2020.

Date	March 12, 2020
Type	Stock market crash
Cause	COVID-19 pandemic–induced market instability US travel ban against the Schengen Area European Central Bank decision not to cut interest rates

Black Thursday[1] was a global stock market crash on March 12, 2020, as part of the greater 2020 stock market crash. US stock markets suffered from the greatest single-day percentage fall since the 1987 stock market crash.[2] Following Black Monday three days earlier, Black Thursday was attributed to the 2019–20 coronavirus pandemic and a lack of investor confidence in US President Donald Trump after he declared a 30-day travel ban against the Schengen Area.[3] Additionally, the European Central Bank, under the lead of Christine Lagarde, decided not to cut interest rates despite market expectations,[4] leading to a drop in S&P 500 futures of more than 200 points in less than an hour.[5]

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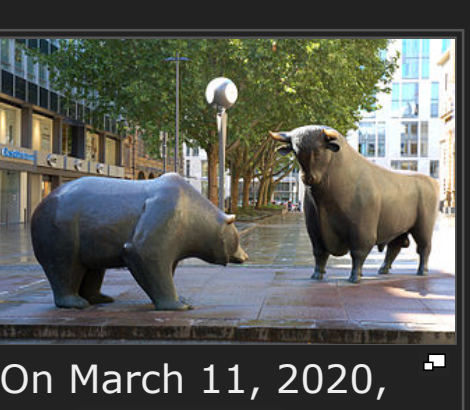
Background [edit]

See also: Socio-economic impact of the 2019–20 coronavirus pandemic



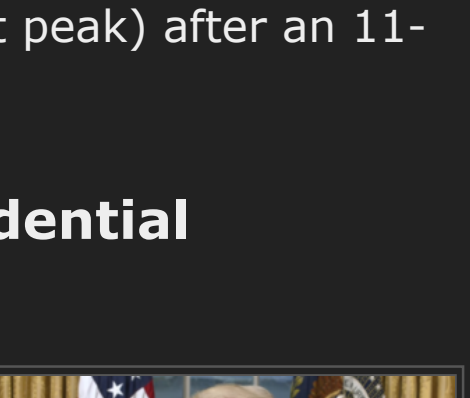
On March 11, 2020, the Dow Jones Industrial Average ended an 11-year bull market run and entered a bear market. Symbolic statues from the Frankfurt Stock Exchange pictured.

On March 9, 2020, the stock market hit its lowest close during the Great Recession.[6] Since then, the US stock market was a bull market and held an 11-year streak despite serious economic challenges such as the China–United States trade war, the European debt crisis, Brexit, and oil-price conflicts.[7] The stock market became extremely volatile starting on Monday, February 24, 2020, when the Dow Jones Industrial Average and FTSE 100 dropped more than 3% as the coronavirus pandemic spread substantially outside China over the weekend.[8][9]

On March 9, 2020, known as "Black Monday", global stock markets suffered from the greatest fall since 2008, during the Great Recession.[10] The crash was caused by a combination of the coronavirus pandemic and the Russia–Saudi Arabia oil price war.[11][12] In the United States, a circuit breaker was triggered after stocks dropped sharply, halting trade for fifteen minutes.[11]

On March 11, 2020, the Dow Jones Industrial Average entered a bear market (i.e., 20% drop from the most recent peak) after an 11-year bull market run.[13]

United States presidential address [edit]



President Donald Trump addresses the nation from the Oval Office.

On March 11, US president Donald Trump gave a public address. According to one writer for *Barron's*, "Dow futures were up around 300 points before the president's address began. And then the president started talking—and futures started falling."[14]

In the speech, the president announced a temporary 30-day travel ban against Europe in response to the coronavirus pandemic. Although Trump initially stated that the ban would include all goods and passengers from Europe, the details of the travel ban were later clarified: the ban affects people who are not US citizens who in the past two weeks visited the 26-member Schengen Area, but does not include trade goods and cargo. The travel ban notably excludes the United Kingdom and Republic of Ireland. Trump did not consult the European Union before imposing the travel ban.[15] Carmen Reinicke of *Business Insider* wrote that Trump's address to the nation "failed to calm investors' concerns about the economic fallout from the coronavirus outbreak".[16]

Crash [edit]

The US's Dow Jones Industrial Average and S&P 500 Index suffered from the greatest single-day percentage fall since the 1987 stock market crash, as did the UK's FTSE 100, which fell 10.87%.[17][2] The Canadian S&P/TSX Composite Index dropped 12%, its largest one-day drop since 1940.[18] The FTSE MIB Italian index closed with a −16.92% loss, the worst in its history.[19] Germany's DAX fell 12.24% and France's CAC 12.28%.[20] In Brazil, the Ibovespa plummeted 14.78%, after trading in the B3 was halted twice within the intraday; it also moved below the 70,000 mark before closing above it.[21][22] March 12 was the second time, following the March 9 drop, that the 7%-drop circuit breaker was triggered since being implemented in 2013.[3]

In Colombia, the peso set an all-time low against the U.S. dollar, when it traded above 4000 pesos for the first time on record.[23][24] The Mexican peso also set an all-time record low against the U.S. dollar, trading at 22.99 pesos.[25] The cryptocurrency Bitcoin dropped 40%, its worst day in 7 years.[26] Other cryptocurrencies fell sharply as well.[27]

United States [edit]

Largest Dow daily point losses up to Black Thursday

Rank (by Net)	Date	Close	Change		Ref
			Net	%	
1	**Black Thursday** 2020-03-12	**21,200.62**	**−2,352.62**	**−10.0**	[28]
2	**Black Monday** 2020-03-09[discuss]	**23,851.02**	**−2,013.76**	**−7.8**	[29]
3	2020-03-11	23,553.22	−1,464.94	−5.9	[30]
4	2020-02-27	25,766.64	−1,190.95	−4.4	[31]
5	2018-02-05	24,345.75	−1,175.21	−4.6	[32]

Soon after trading began, a Level-1 trading curb was triggered on major US stock markets due to increased selling, leading to a 15-minute halt on trading.[16] Level-1 circuit breaker is triggered with a fall of 7% on the S&P 500 Index. The trading halt occurred after the markets reached a drop of 7.2 percent within 15 minutes. The crash temporarily recovered after the Federal Reserve Bank of New York offered at least $1.5 trillion worth of short-term loans to banks for March 12–13, but the market quickly resumed its decline soon after.[33] The Dow fell 2,353 points,[34] losing all of its gains from its lowest point in 2018.[35] The drop surpassed Black Monday, which occurred just a few days before, to be the greatest single-day point drop ever, at 2,353 points.[36] Together with the drops of 1,191 and 1,465 points on February 27 and March 11, the four largest Dow daily losses up to Black Thursday were all linked to the 2019–20 coronavirus pandemic.[28][29][30][31] President Trump reacted to the crash by defending his travel ban and predicting that the stock market would eventually recover with central bank intervention.[37]

Aftermath [edit]

This section **needs expansion**. You can help by adding to it. *(March 2020)*

The following day, the S&P 500 showed some rebound, rising 9% in its best day since 2008.[38]

See also [edit]

- List of largest daily changes in the NASDAQ Composite
- List of largest daily changes in the S&P 500 Index

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